

**ASSOCIATE SUPERINTENDENT APPROVAL** \_\_\_\_\_

**STATE BOARD MEETING DATE** September 22, 2008

**SUBJECT:** Enterprise Academy Charter School Failure to Comply with the Terms of the Suspension Agreement

**SUBMITTED BY:** DeAnna Rowe

**MANAGEMENT TEAM REVIEW:**

**BACKGROUND INFORMATION:**

On Monday, August 27, 2007 the SBE approved the request for suspension of operations for Enterprise Academy Charter School. The suspension included the terms below with the bullet designating the status of meeting the terms:

1. The submission of all required end of year reports including the annual financial audit and legal compliance questionnaire, NCLB, school finance and grants management reports.
  - Outstanding completion report: FY07 Title I LEA
  - Audit submitted late and would require corrective action if the school remains operational. A copy of the letter sent to the school is included in the materials.
2. The appropriate and timely submission of any Amendments/Notifications that may result from the evaluation and modification of charter during the suspension period and prior to receipt of any future state aid.
  - None received.
3. That the suspension period is for FY 08 only and that failure to resume the provision of instructional services at the beginning of FY 09 would result in further consideration by the SBE.
  - Letter from Enterprise Academy requesting a continuation of the suspension. A copy of the letter is attached.
4. That if the Charter Operator fails to comply with the terms and conditions of the Agreement, the Board may, on no less than thirty (30) calendar days notice, hold a hearing at which time the Board will receive information to determine whether evidence exists that the Charter Operator has failed to comply with this Agreement. If the Board determines that a breach of the Agreement has occurred, the Board may revoke the Charter Operator's charter to operate the School and terminate its charter contract for breach of the Agreement.

Pursuant to the IGA entered into between the State Board of Education (the "SBE") and the State Board for Charter Schools (the "ASBCS"), the ASBCS staff provides consistent oversight and recommendations to the SBE for the schools under the SBE's sponsorship. The ASBCS has adopted policy regarding the Temporary Suspension of Charter School Operations. ASBCS staff has followed this policy in the preparation of materials regarding Enterprise Academy.

- On May 1, 2008, ASBCS staff sent a letter to Enterprise Academy requesting the submission of all necessary amendments and notification to the program of instruction, mission, methodology, and description for Enterprise Academy by May 16, 2008. The

letter also discussed and included a Surrender Agreement should Enterprise Academy choose not to resume operation for FY 2009.

- On May 16, 2008, ASBCS staff received a letter from Enterprise Academy. The letter was in follow-up to a conversation between Gene Blue, the Charter Representative for Enterprise Academy, and Heather Kelley, the ASBCS's Contracts and Administrative Services Manager, in which the Charter Holder states the school continues to evaluate and analyze all factors regarding the resumption of operations.
- On June 13, 2008, ASBCS staff requested documentation that supports the efforts that have been made to adhere to the timeline, as it was included in the Charter Holder's original request, for the evaluation/modification of the existing charter and decisions regarding reopening the school.
- On July 17, 2008, ASBCS staff received a letter from Enterprise Academy detailing the discussions and meetings that had occurred to date. The letter states that on February 14, 2008 the Board unanimously decided that the data it had reviewed to this point did not substantiate a decision to reopen the school for FY 2009. According to the letter, the Charter Holder is entertaining offers from entities who may wish to manage or subcontract services to the school in the future and continues to look at other options for beginning Enterprise Academy classes in a modified format for the 09 School Year.

Copies of recent correspondence are included for your consideration.

In accordance with the Board's Policy regarding the Temporary Suspension of Charter School Operations, Suspensions may be granted for an entire school year, semester, term or other recognized unit of school operation. The Board may seek to revoke the charter of any charter school operator that fails to return the charter school to operation within the timeframe prescribed by the Board in granting the suspension or to otherwise comply with the terms of suspension imposed by the Board.

The Charter Operator has not submitted any estimated enrollment for funding purposes, nor collected any other state or federal funding for the operation of a charter school. There has been no submission of amendment requests or evidence to support that Enterprise Academy will provide instruction in accordance with the current terms of its charter contract during FY 09. The Charter Operator did not submit a calendar, budget, or M & O, indicating an intent to operate this year.

Because the Charter Operator did not provide instruction to students in FY 08, there is no displacement of students with any decision made by the Board.

**BOARD ACTION REQUESTED: [ ] INFORMATION [ X ] ACTION/DESCRIBED BELOW:**

It is the recommendation of the ASBCS staff that the Board direct the staff to work out the terms of a Surrender Agreement with the Charter Operator and that if terms cannot be reached or if the Charter Operator does not submit required documents and begin providing instruction prior to the next State Board of Education meeting, that the Charter Operator be placed on the October agenda for consideration of a notice of intent to revoke the charter for failing to comply with the terms of the charter contract.

**ATTACHMENTS: YES [ X ]    NO[   ]**